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Attorneys for Plaintiffs

IN THE UNITED STATES DISTRICTCOURT FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

SMASH TECHNOLOGY, LLC, a Nevada limited liability company; and MICHAEL ALEXANDER, an individual;

Plaintiffs,

VS.

SMASH SOLUTIONS, LLC, a Delaware limited liability company; JERRY "J.J." ULRICH, an individual; and JOHN DOES 1-3;

Defendants.

SMASH SOLUTIONS, LLC, a Delaware limited liability company; JERRY "J.J." ULRICH, an individual; and JOHN DOES 1-3;

Counterclaim Plaintiffs,

VS.

SMASH TECHNOLOGY, LLC, a Nevada limited liability company; and MICHAEL ALEXANDER, an individual;

Counterclaim Defendants.

DECLARATION OF MICHAEL ALEXANDER

Case No. 2:19-cv-00105-TC

Judge Tena Campbell

DECLARATION OF MICHAEL ALEXANDER

- I, Michael Alexander, declare as follows:
- 1. I am a member and manager of Smash Technology, LLC ("*Technology*"), a named-plaintiff in the above-captioned matter. I have personal knowledge of the facts in this declaration and, if called to testify as a witness, I would testify under oath to these facts.
- 2. Technology has paid for and developed "customer relationship management" (CRM) technology that enhances businesses' ability to connect, develop, interact, and communicate with, and market to their customers, prospective customers, databases, and contacts in a wide variety of ways, including social media, and by creating highly-detailed contact profiles and dashboard aggregating and updating data via public sources and databases to maximize communication, sales, marketing, social media, and various other activities.
- 3. Contrary to Defendants' assertion, Technology has rights, interests, and ownership in, and/or control of, the new intellectual property, new code, new software technology, new features, new functionality, and new CRM Platform (collectively the "CRM Platform") at issue in this case.
- 4. In forming, funding, and operating Technology, I partnered with J.J. Ulrich, who was previously the majority shareholder in Smash Solutions ("Solutions"). My Technology partnership with Ulrich intended to work as follows: first, Ulrich agreed to transfer Solutions' infant intellectual property to Technology, and second, I agreed to fund Technology and the development of its new intellectual property and CRM Platform. We intended to develop Technology into a CRM technology powerhouse by developing the sophisticated and superior CRM Platform that would outpace all competitors in the marketplace. Though initially I was the

sole member and manager of Technology, pursuant to our agreement, Ulrich and I understood and agreed we would be equal equity partners in Technology and share in its ultimate proceeds and success, and we initially performed accordingly.

- 5. Pursuant to our agreement, Ulrich agreed to dissolve Solutions and indemnify me and Technology from any liability from Solutions' creditors, investors, and employees. I understood from Ulrich that Solutions dissolved its business by executing dissolution papers and sending notice to all interested parties. I paid for the execution and notice for Ulrich.
- 6. Pursuant to our agreement, Ulrich agreed to build his Bitclub Network business to produce adequate sales and production volume to maximize daily Bitcoin cryptocurrency earnings from Tatiana Alexander's Uberfund and Centurion positions with Bitclub Network, which would likewise be used to fund Technology and pay for the development of the new intellectual property and CRM Platform. Ulrich has defaulted on his obligations relating to the Bitclub Network.
- 7. Based upon his representations, I understood that Ulrich transferred Solutions' infant intellectual property to Technology and dissolved Solutions. In reliance on that transfer, and at Ulrich's insistence, on or about March 13, 2018, I executed Technology's Master Services Agreement with Feracode, LLC for the express purpose of developing the new intellectual property and CRM Platform for Technology's benefit. *See* Feracode Agreement, attached as Exhibit A.
- 8. Feracode agreed to develop the new intellectual property and CRM Platform in exchange for \$1.7 million. The parties agreed that Feracode would develop the CRM Platform during 12 discrete time periods or milestones. After each accomplished milestone, the parties

would agree upon the completed work, exchange payment, and authorize the next milestone to be performed. To date, Feracode has completed multiple milestones that I have paid for with my Technology investments of cash, cryptocurrency, and other resources, readying the CRM Platform for its Alpha deployment and testing phase. In other words, Technology paid Feracode to develop the new intellectual property and CRM Platform for Technology's benefit. Through my personal investments of cash, Bitcoin withdrawals, and other resources, which I often provided directly to Ulrich as my business partner in Technology, Feracode was then paid by Ulrich/Technology to develop the new intellectual property and CRM Platform for Technology's benefit pursuant to its agreement with Feracode. Neither I nor Smash Technology (including Sterling Kerr) received notice of Feracode's purported termination of its agreement with Smash Technology in January 2019 and I dispute any alleged reasons for such termination, especially given the fact Technology had paid Feracode substantial sums to develop the new intellectual property and CRM Platform for Technology's benefit.

- 9. To date, Technology, through my personal investments, has developed the new intellectual property and CRM Platform at great expense. Technology's new intellectual property and CRM Platform are its most valuable assets and Technology intends to develop significant goodwill and a quality business reputation in the marketplace with its CRM Platform.
- 10. As Technology's primary operator during its initial stages, Ulrich was tasked with a simple mandate: hire a Chief Technology Officer (Sam Potter) to run point with the outsourced development team at Feracode. Once this important task of developing the software technology and CRM Platform was completed, Technology would invest in hosting and server

costs for the CRM Platform and other necessary operating expenses when ready to deploy the Alpha testing phase in order to become partially operational.

- 11. Though Ulrich and/or Solutions never fully developed a CRM technology, Solutions developed a limited beta model with limited templates and technical documents that could be used as a possible shortcut and springboard for Technology (with Feracode's expertise and services) to develop more advanced, refined, sophisticated, and superior CRM technology that was viable to market and was sustainable and scalable, including the use of the most advanced and current updated language, superior software code, and new and expanded features, among other things.
- 12. I invested substantial personal resources into Technology, which I often provided directly to Ulrich solely for the purposes of developing Technology's new intellectual property and CRM Platform. Though I invested cash, cryptocurrencies, and other resources into Technology that were to be utilized in developing the intellectual property and CRM Platform pursuant to the Feracode agreement, Ulrich has failed to account for my investments into Technology, including two cash wires in the amount of \$100,000 and earnings provided from my Bitcoin positions and other business interests in the amount of approximately more than \$2 million.
- 13. Upon information and belief, Ulrich has engaged in numerous unauthorized transactions for Technology without my knowledge or authorization, including but not limited to entering into unauthorized vendor agreements, commingling Technology funds (including my investments) with Solutions', Smash Innovations' (Ulrich's new business entity), and/or other personal/business accounts, and using Technology funds for improper personal expenses. For

example, to the best of my knowledge and belief, Ulrich has used my investments for personal expenses such as rent, moving expenses, travel and food expenses, investments, computers, and internet and cable services for his home and other businesses.

- 14. Despite my repeated requests, Ulrich has only provided limited (and troubling) financial information related to Technology's expenses and my investments in Technology. He has failed to provide any useful information regarding my Bitcoin contributions, their conversion into U.S. dollars, and their related transactions. Significantly, Ulrich has failed to provide any original documentation of Technology's transactions like bank and credit card statements, cryptocurrency transactions, digital exchanges conversion transaction receipts and reports (when Ulrich converted crypto currencies into U.S. dollars), invoices, and vendor contracts.
- 15. Upon information and belief, Ulrich has also fraudulently invoiced Solutions, Smash Innovations, and/or himself for various Technology purchases.

My Email Communications with Ulrich Re: Our Smash Technology Partnership, Our Course of Performance, and My Investments in Developing the Intellectual Property and CRM Platform

development of the intellectual property and CRM Platform at issue in this case and demonstrate Smash Technology's rights, interests, and ownership in, and/or control of, the intellectual property and CRM Platform. I have exchanged numerous email communications with Ulrich and I am attaching true and correct copies of those emails to this declaration. My emails with Ulrich also support our Smash Technology partnership, our Smash Technology course of performance, and our Smash Technology dispute, including my own investments of cash, Bitcoin, and other resources that directly paid for Feracode's development of the intellectual

property, software technology, and CRM Platform at issue in this case. I have highlighted in bold italics some (but certainly not all) references to (a) our Smash Technology partnership, (b) my investments in Smash Technology, and (c) my investments in Feracode's development of the intellectual property and CRM Platform.

- 17. On November 6, 2017, Ulrich emailed me regarding our formation, funding, and operation of Smash Technology: "I have started and rewritten this email multiple times, because I know the value of what SMASH can bring us both financially and I have to figure out a way for you to believe in it as much as I do." *See* Exhibit B at 1. Ulrich continued: "I know you've assisted in raising funds for the development and I know you would do that to support me."

 Id. Ulrich continued I needed to do some soul-searching because I know what [sic] your business experience we can bring this home, however, it will require a huge commitment from both of us. On the other side I believe we will be sitting not as millionaires, but confidently billionaires." *Id.*
- 18. Ulrich projected that our development of the new software for the CRM Platform could result in a business valuation for Technology between \$575 million and \$959 million the first year. *Id.* In the same email, Ulrich stated: "We would be nine months in development and the software company is ready to go if we can supply the revenue requirements to keep them paid. That means in less than two years we would be sitting on a billion-dollar company." *Id.* Though Ulrich noted the "million challenges" of our new business enterprise, including his own mistakes, he stated that "I know with your business experience and connections *combined with the plan that we have developed*, we can accomplish this extraordinary ambitious software. We can clean up the corporate structure using Sterling because I trust him and I know you do as well.

I have nearly worked myself into a grave to create this company and software. We now have the means, connections and *the timing is right that we can come together and make this happen*." *Id.*

- 19. In the same November 6, 2017 email, Ulrich discussed our Smash Technology partnership. "I am willing to work into a full partnership with you. Meaning you would on [sic] the same equity as I own. We need to clean up the shares in the company infrastructure, however, it should be approximately 29% to 35% each." Exhibit B at 1. He reiterated our agreement regarding Smash Technology and his partnership intentions: "[I] want you as a partner as I already consider you to be one." Id. at 2.
- 20. Ulrich noted "what you've done for me already with the effort you put forth in making this a reality," and he discussed "facing several pressing issues that simply need resolution and we need to get the product started in development." Id. He continued: "Once the product is in development [it] is easier to raise money because changes will be active and steady. You and I combined, can find the funding." Id.
- 21. On the issue of funding, Ulrich wanted my assistance as follows: "[I] would request instead to assist me in the following areas. Have one note smash that must be paid that is under \$50,000 and unfortunately he will not take payments on it. I have another note that is based on my property that needs approximately \$20,000 a month payment to begin as soon as possible but before the end of this month. The only other obligation is getting the software under development that would take approximately 300k a month commitment, however the first month would probably be 150k." Id.

- 22. In addition to my personal cash, Ulrich contemplated using my Bitclub Network business and related Bitcoin positions to fund Smash Technology's software development. "I realize the China deal could really assist in this, however, I was also hoping that you could assist with these items in two additional areas. *The first I was hoping that we could get started with using some of the growth in bitclub network*. I know your position on using bitcoin at this time, however, I believe if you can assist in these areas we can look to the bigger picture and profitability from these objectives being hit. The other area, *maybe you would be willing to let me keep the Uberfund account and use it to assist in funding the monthly commitments*." *Id*.
- 23. Ulrich continued: "I want to lock arms in a partnership and go to work building the software. The only thing is I would like to make sure we are both financially invested as we move forward." *Id*.
- 24. On November 26, 2017, in addition to our telephone conversations and text messages, I responded to Ulrich's email regarding our Smash Technology partnership. "It was my understanding from Las Vegas that you proposed we combine our 50/50 income from Uberfund going forward to fund costs for Smash and the new corporate structure with Sterling and nothing else. . . . In return I would receive an equal interest to you in Smash and an equal interest in the new entity with both you and Sterling." See Exhibit C.
- 25. In the same email, I reminded Ulrich how he actually owed me compensation pursuant to our pre-existing Uberfund account arrangement because "we agreed [Ulrich] would only receive 100% [of the Uberfund earnings] for only the first 90 days." *Id.* "Thereafter we were to split the income 50/50 with [Ulrich] paying me my share of Uberfund you received

during the first 90 days on a repayment schedule. The agreement has far exceeded what we agreed and I have received no compensation." *Id*.

- 26. A few minutes later, Ulrich responded via email to the Uberfund issue and the amounts he owed me, acknowledging that he was using my Uberfund earnings to cover his personal expenses: "It's the only way I am covering everything right now. I know it has long term income potential on all these items that are working and figured that I would be able to use it until we got to the point of being out of the holes that we are in. I don't generate enough in paid easy [Ulrich's personal entity] to even survive personally however an agreement is an agreement but I need to close everything down tomorrow and ask for one more week to cover the costs that I will have this week. After that I will need to do something else to supplement income until its back to being able to issue it and your [sic] paid back. I will not transfer anything additional until you say otherwise. You have been more than fare [sic] and the team should continue to produce to keep money going into that account. . . . I appreciate the time you have giving [sic] me to try to get out of this mess." See Exhibit D.
- 27. The following day, on November 27, 2017, Ulrich emailed me again to discuss the Uberfund situation and our partnership efforts with Smash Technology. "When you threw me the lifeline with the [Uberfund bitcoin] mining operation I don't know if you have any idea the severe situation I was in and when I first committed to the 90 days to get on my feet I figured we would have had the funding in place so I just went to work know [sic] that you override me and if I could build up the systems while strolling out of the issues I figured it would all work out by the time funding came in place with Smash." *See* Exhibit E. He continued: "When all that went sideways *and I sent you the email about partnership* I did not want to ask for a big upfront

payment, however if you read the email I simple [sic] asked to let me keep using and building

Uberfund and banked that was going to be in our agreement after it was in the email for

Vegas." Id.

- 28. Similar to many other conversations between us, Ulrich thanked me profusely for my financial assistance during his time of need. "I want you to know Michael I am grateful more over than anything I can express into words." *Id.* Nevertheless, Ulrich again asked for my financial assistance to cover his personal expenses. "I know this has taken much longer than I hoped it would take. However, if what your asking for happens, I won't make it to the first week of December because I have been putting everything into staying alive and trying to get this machine turned on. It has cost a lot but I know it will produce a lot." *Id.* Ulrich said he would honor his repayments to me but noted that his personal expenses—and the costs associated with developing Smash Technology's software technology—were substantial. *Id.* "I will honor this no matter the costs but I need to be honest with you the costs are heavy for me and I cannot float smash costs nor my own or anything else on my own account. I will let you have it to keep my word, but it means things significantly change in my space and life. I can go over the details but they are not good. I have thrown everything at making this work with the belief that getting it all moving would perform in the future far greater that [sic] using these funds short term." *Id.*
- 29. In an attempt to continue using my Uberfund account, Ulrich reiterated his personal financial dire straits: "I am using everything in my accounts and uber to survive and am still upside down." Ulrich also discussed our Smash Technology partnership as it related to the Uberfund issue: "I need to know your decision on things because I need to make some massive changes tomorrow and really should have been today. I just thought you should know so you

can be informed on what changes with this decision. If need be I can work out another deal if the one in email does not work to use uberfund for longer, if not I can issue you funds from my property on anything that is left after all the parties take what they are going to after it sales. There will be some left and I can assist in getting even but without the use or more funds or me finding a way to build faster I am underwater at this point. Sorry to complain about issues but you need to know the line I have been walking to stay afloat has been very tight. *If you wish I will keep the Smash deal* and place it up for sale to compensate you that way. I don't know I feel like a begger even talking about this so maybe you just keep it the way it is. I will be ok somehow, I just needed you to know. Fly safe and I am sorry for the challenges I have created with this." *Id.*

- 30. On or about February 5, 2018, I wired Ulrich \$60,000 for purposes of investing in Smash Technology and paying for the development of the intellectual property, software technology, and CRM Platform. *See* Exhibit F.
- 31. On February 24, 2018, Ulrich emailed me regarding various aspects of our formation, funding, and operation of Smash Technology. See Exhibit G. Ulrich discussed "Corporate Conversion & Timing," including that "[a]s per our conversation with Sterling we should have a new agreement with the \$10,000 amount to get started and a list of items he is going to need to finish the corporate modifications and activation of the new corporation. Once I have the documentation we have the funding to submit the \$10,000 to him and be underway in activating the new corporation." Id. I ultimately paid this \$10,000 amount to get Smash Technology up and running.

- 32. Ulrich provided a monthly breakdown of Smash Technology's projected operating costs, including development costs for the CRM Platform, staffing costs, and training/travel costs. *See* Exhibit G. Ulrich estimated income and profits/losses for our new Smash Technology enterprise. *Id.* Ulrich discussed how we would fund Smash Technology's operating expenses through my Bitclub Network positions. *Id.* at 4.
- Ulrich discussed our funding approaches to Smash Technology and its 33. development of the CRM Platform. "Using a 30 day window block we can create the money to cover expenses from several sources to prevent having to dip into any additional funding options, however, if one of these does not fully cover the monthly commitment we need to engage a plan to make sure it is covered until the company can be funding the project plan using internal subscriptions." See Exhibit G at 4. He specifically discussed Uberfund as a source of funding Smash Technology and its development of the CRM Platform: "Uberfund: \$30,000 to \$60,000 Monthly. I would like to keep this being split if possible for expenses and operations of growing bitclub as it has significantly hurt financially to lose access to this however we could move forward with splitting it again if we can use the trading and bitmax to cover the expenses." Id. To be clear, per our agreement, Ulrich agreed to minimum sales volume and performance to max out the earnings in Uberfund in order for him to earn up to 50% of the Uberfund monthly earnings. Ulrich never met the minimum requirements in any month even once. Thus, the first \$30,000 from Uberfund each month was credited to Tatiana Alexander and any overage to Ulrich. There was never any significant overage although Ulrich was taking 100% of all the Uberfund earnings.

- 34. Ulrich also discussed our selection of Feracode as the developer for Smash Technology's CRM Platform. "We are in the final selection process of getting the development company onboard. This is a huge success because with the agreement in place to allow them to show Smash as a flagship product they have developed it will allow us to reduce our development costs to a couple million dollars instead of over 9 million dollars.... Once we have the selection of the development company finalized we will need to meet and go through the complete specification build requirements for the first deployment of the alpha release specifications and minimum viable product. ... The goal would be to achieve minimum funding level to not draw from internal resources any longer than we need to complete the product." Id. at 4-5.
- 35. On February 28, 2018, Ulrich emailed Sterling Kerr, Smash Technology's counsel, and me a version of Smash Technology's development contract with Feracode. "Here is the agreement from Feracode. I am working on price with them for the first two months." See Exhibit H. On March 12, 2018, Ulrich emailed me the final version of Smash Technology's development agreement with Feracode for my review and signature. "Michael here is the agreement. Please sign and return and let me know how we move forward with the budget and check to these guys." See Exhibit I. On March 13, 2018, Ulrich emailed me the same contract "free of highlights" and requested that I "sign and return this copy" on behalf of Smash Technology. See Exhibit J.
- 36. On March 12, 2018, I emailed Ulrich a signed version of the Smash Technology/Feracode development agreement, where I stated the following: "JJ, I signed the contract and have attached. It is a digital signature; Sterling said was ok. I can do a wet

permission to use up to \$50,000 I wired to you to buy bitcoin for me to pay the first payment to the Development Team together with our shared funds from Uberfund to cover the \$76,000 first installment." (This is exactly what happened.) My email continued: "You mentioned they want bitcoin so if you need to convert go ahead. Buy low and sell high to give us a little cushion. Call me when you are up so we can put our heads together on how we cover the next payment coming up in 30 days." See Exhibit K.

- 37. On April 1, 2018, Ulrich emailed me regarding my direct payments to Feracode to fund the development of Smash Technology's CRM Platform. See Exhibit L. The subject of the email was "Uberfund Accounting Transfer Notice--\$24,840 out of \$26,000" and Ulrich stated as follows: "This is to show a receipt of transfer from Uberfund to Paideasy [Ulrich's personal entity]. When we paid the invoice to Feracode \$50,000 was used from the \$60k you sent. The difference was used by pulling all cash and commissions out of our accounts to cover the \$26k difference." Id. Put simply, Ulrich acknowledged in writing that I had paid Feracode for the development of Smash Technology's CRM Platform—the intellectual property and software technology at issue in this case—with my own cash and personal Bitcoin earnings.
- 38. On October 24, 2018, Ulrich emailed me an update regarding our Smash Technology partnership efforts. "Before I go over this information I want to share with you my gratitude for everything you have done and I really look forward to the success we will enjoy in the future. I am setting the intention that this email will reflect my gratitude, appreciation and most of all my desire to work together with you." See Exhibit M. Ulrich noted that "[t]he starting point to our agreement was initially outlined on November 6th, 2017 in the email

below. I have attached the email for your review, however, the key points I want to outline are these," which he then discussed. *Id.* at 1.

- 39. Ulrich stated "[m]y priority objectives for the agreement was the need to establish a skilled partner with strong business skills, integrity, connections and someone who would be willing to jump in and assist in the day-to-day operations. On several occasions Smash had the opportunity to have strategic partnerships that would have funded the company if we gave them half the equity, however, those options did not come with someone that would be a solid partner. Michael I knew that if we locked arms and committed to making this happen we would succeed." Id.
- 40. Ulrich noted that I "never wanted to tap into any personal resources to make Smash happen, however, from day 1," he said he was "very clear of the situation Smash and my personal accounting was in." *Id.* "I did request support for the several issues that I needed your support to resolve." Id. He also correctly noted that I "never wanted anything to do with Smash Solutions only Smash Technology 2.0," especially given my concern "about the backlash from [Solutions'] investors," which is why we "created the new plan to separate [me] from Smash Solutions." Id. He also acknowledged our appropriate caution in moving forward with our new Smash Technology entity: "I get the caution and although we did not get any backlash as I initially though would be the case. I shared with you my financial situation and that I would give all my effort in building a team, building the system and deploying this to our organization." Id. at 2.
- 41. Ulrich acknowledged my frustrations with his lack of transparency in providing updates and financial records for Smash Technology, including his default and failure to perform

and be held accountable. "I just want to clean up these issues so you feel happy and confident of the progress. It's hard to get on the phone and know your [sic] going to be upset with me and I don't have quick resolutions for you. We simply cannot work harder than what we are doing and I feel nervous to bring up any of the initial support requests because I feel it will just upset the situation further. This is why I am putting this all in an email for your review so you can see the details directly. I also want to correct the course *so we can move forward synergistically*." *Id*.

- 42. On November 4, 2018, with my continued concerns in Ulrich's lack of financial transparency and related conduct, I emailed Ulrich and Kerr insisting that accountants create audited financials for Smash Technology before determining the next steps in our funding. "We need to submit supporting documentation to them to create audited financials even though *we have not spent that much thus far with the exception of Feracode*. I have been requesting these items also for quite some time now. . . . In addition, they want all the Smash Technology contracts with all vendors we pay for all the above items, including invoices and proof of payment on all items paid for and on behalf of Smash Technology." *See* Exhibit N at 2.
- 43. On November 7, 2018, Sam Potter (from his Smash Technology email address) emailed Ulrich (to his Smash Technology email address) and me *a draft version of Smash Technology's operating agreement* with an invitation to review and edit the document. *See* Exhibit O. On November 9, 2018, Sam Potter also emailed Ulrich and me *a private placement memorandum related to Smash Technology* with an invitation to edit the document. *See* Exhibit P. He stated: "I have reviewed and made changes to several sections PPM. There are a few pieces of information still required to complete this document which are noted in the comments of the document." *Id.*

- 44. On November 19, 2018, Ulrich emailed me and Sam Potter (at his Smash Technology email address) to discuss how "w[e] are going to use the tools we have to progress forward" with Smash Technology. *See* Exhibit Q at 1. He sent specific agenda items for an anticipated meeting between me, him, Sam Potter, and Sterling Kerr regarding our Smash Technology efforts. *Id.* Some of the "Smash Items" he listed in the agenda included the status of Smash Technology's new and revised operating agreement, private placement memorandum, and bank account. *Id.* at 1-2. He wanted to verify *Smash Technology's ability "to operate in Utah while a Nevada LLC*" and provided Sterling Kerr his new Smash Technology email address. *Id.* at 2.
- 45. On November 26, 2018, Ulrich emailed me substantial updates regarding Feracode's development of the CRM Platform and our ongoing Smash Technology efforts. "Upon arriving in Salt Lake we immediately met with Feracode to arrange a payment arrangement to allow us a little time to get the cashflow from the loan, PPM or the [Bitcoin] mining. 1. Our current balances are: 1. Milestone 5: \$29,000 2. Milestone 6: \$79,000 3. Milestone 7: \$149,000. See Exhibit R at 1.
- 46. Ulrich discussed Smash Technology's "Accounting Details Per [My] Request."

 Id. He stated "[w]e have moved all the items into Quickbooks under Smash Technology" and he "ordered Sam to retrieve all the technology specific accounting documents he has used to setup, manage and deploy the new software systems." Id. He also stated "[t]he entire accounting project is committed to being done by 11/26 to 11/27." Id.
- 47. Under the heading "*The Smash Technology Team*," Ulrich stated that he had "notified all the Smash team members of the permanent separation from any other projects

during business hours of Smash Technology" and "explained the focus and the amount of work needing to be deployed over the next several months and we need to really shift into deployment gear now that the Smash software is nearing completion." Id. He stated he was asking team members "to deploy the new website and development of the software" and that "all Smash staff are fully separated from any work that will sidetrack their attention from the primary target of Smash deployment." Id.

- 48. In my subsequent response to Ulrich's email, in parentheticals, I again acknowledged our partnership efforts in funding Smash Technology and its development of the CRM Platform. "You and I are funding this. They have not put hard money in." Id. at 2. I also discussed Ulrich's Bitclub Network performance and the recent drop in Bitcoin prices, which required me to invest even more of my resources into Smash Technology. "Yours and their sales and performance in Bitclub have let us down resulting in less than expected and required performances to maximize earnings from Uberfund and Centurion. I have had to put in even more money and it looks like even more is necessary. In addition, the price of crypto has fallen significantly meaning we are losing all that upside potential when it rebounds having to liquidate now and throughout this year. That is why I bumped our 15% each to 20% and now it looks like it needs adjusted upward again." Id.
- 49. In the same email update, Ulrich discussed Sam Potter's desire to be elevated to the COO position for Smash Technology. *Id.* "Sam has spoken to me about *moving into the COO position of the company.*" I later responded, in a parenthetical, that "[t]his is premature and also Smash Technology is not a corporation so we do not use corporate titles," but to nevertheless "send me his resume." *Id.*

- 50. Ulrich again discussed Smash Technology's organizational documents, PPM, and Smash Technology transfers for potential membership interests. *Id.* at 3.
- 51. Ulrich also discussed meeting with "16 investors new to Smash," including completing "a login for the Smash Investors to log into Smash Tech after they have signed off on the NDA and paperwork" required to review company documents. Id. at 5. He stated that "the Smash Technology Software is to a place now they can have their own accounts and be able to view the upcoming release. I believe as they see this they will be willing to look at additional funding." Id. In other words, Ulrich stated that potential investors in Smash Technology would have access to its developing CRM Platform, which would increase their desire to invest in our new company.
- 52. Ulrich attempted to address my ongoing concerns regarding Smash Technology's accounting and lack of financial transparency. "I know that the accounting needs to be completed so you know where you are at financially with Smash and Kevin has assured me he will be able to explain it and the difference owed in proper accounting methods by 11/26 or 11/27." Id.
- 53. Ulrich discussed the possibility of my wife Tatiana Alexander to join the Smash Technology team. "If Tatiana comes in I feel we need to use the PPM as any other investor would *I want to be able to maintain an equal agreement between you and I Sam and Sterling*," because we were the only persons with voting rights. *Id.* I later responded in a parenthetical: "Tatiana has strong feelings about this and feels she is not just another investor and is a valuable asset and substantial contributor beyond just funding. In addition, *we have already invested far more than an equal share into Smash Technology*. In addition, when you add to this the

delinquent repayment from [Bitcoin] from Uberfund that was my share that was due no later than April 2018. You have had access and the use of my share from Uberfund and my additional contribution from Centurion earnings...." Id. at 5-6.

- 54. In the same email, Ulrich provided me a "Smash Technology Software Update," explaining that "[w]e are currently on Milestone 6 of 7," among other updates. Id. at 6. He noted that "Feracode will require getting their additional resources in place which includes additional testers and stress testing personnel to complete Alpha" for the deployment of Smash Technology's CRM Platform. Id. at 7.
- "Setting Up A Working Weekly Meeting With Us," because he "really [thought] we would meet and get more connected in the day to day items going on" with Smash Technology. Id. "I think it could be really helpful to make sure we meet weekly and we can cover a lot of these items and get your feedback and experience into the operational items we are facing each week. I just want to make sure our relationship is strong and your [sic] feeling confident with items happening in the company and we deploy your experience into the operational items we are dealing with." Id.
- 56. Under the heading "Clearing A Few Items Regarding The Accounting Issue," Ulrich stated: "Michael I realize this accounting issue has made your confidence drop in me. I just want you to consider this for a moment. You have brilliance in so many areas and accounting may be one of them, however, when we go through all the technical communications on databases, servers, code banks and the technical side of Smash, you have made statements that you leave that in our hands because we understand it. This is how I feel on the accounting

side. I can learn it but its not my brilliance and is one of the areas I rely on support with. I however don't have a budget approved for this area until recently so I worked with the unpaid assets that I did have who found the time to attempt to make it work through spreadsheets and I know that did not meet your requests now that I more understand what you need." *Id*.

- 57. Ulrich stated: "As a partner and a friend I want to make sure you have what you need and I am always going to attempt to achieve that with resources available to me. In addition as I run into these obstacles I learn to resolve items I may not have known how to do in the past. That is one of the reasons we all have our area of experience and our ability to learn more as we move forward as a team. As I know you will learn all the technical side of Smash as we move forward, however, we will still always have our developers, Sam, and myself to work through the technical side of things just as I know your support on the business and accounting side will always be there for us." Id.
- 58. Ulrich continued: "I hope you have seen that I have put everything into Smash and the only reason I do Bitclub and the support items to assist building it is the financial support to build Smash. Michael I would never put anything but my family and god before building Smash. I have given everything and sacrificed nearly my life to build this. I know you feel frustrated at some of the items in Smash Solutions *and some items in the current operations*. Things will be easier when we have proper staff who are compensated and *we have the revenue generating profits for the company*." *Id.* Notwithstanding Smash Technology's challenges, Ulrich continued to paint a positive picture: "My main priority is Smash and the road to deploying and funding smash long term is making sure its well funded. It took more time than expected, however, we have a complete system now and we have stacked the sales funnel with

now approaching 250 applications with the average funding level of 25k. That is \$62,500,000 in the funding pipeline." *Id.* at 8.

- 59. Ulrich again discussed his massive projections for our efforts with Smash Technology. "I know the massive potential of what we have built and I still believe what we create in Smash will be bigger than what [Bitcoin] has created. I am doing the very best to give everything I have to make this a reality." Id.
- 60. Ulrich discussed issues related to Smash Technology's operating agreement. "When in Vegas I know we discussed outlining the new agreement that we need to combine the positions that are in place. I need to know any expectations you would like added in the agreement. I want to make sure they are added into the document and need to know am I creating 1 agreement that outlines all the items needing into a single agreement or do you want an agreement for each of the positions and situations that we discussed?" *Id*.
- short with Uberfund and Centurion earnings due to failed performance on the part of Paid Easy, Bitmax, VIP, etc. Therefore it has adversely affected the funding piece for Smash Technology." Ulrich stated that "Plan A is not working. We need to weigh and reevaluate everything and determine the best course of action to move forward on all fronts. This may result in unfortunate delays. Agreements that are no longer practical, viable or fair and equitable due to present circumstances and/or default can be renegotiated when there is mutual consent."

 Id. Ulrich continued: "Anyways I am just thinking of ways to support all costs through the launch of Smash. I try to never collect any type of income from Smash because I had the financial reserves to support everything through the first quarter of the year but that reserve is

gone. Anyways just a thought and some possibilities. Let me know what your thoughts are." *Id.* at 9.

- ongoing concerns regarding his accounting and lack of accountability and financial transparency. "I hope this bringing you up to speed with everything we are working on and I know updates don't mean a thing until you have the accounting. I just want you to know that my priority, commitment and 100% focus is on deploying Smash. It is a constant time commitment and if VIP or BCN is in that time commitment it is only to serve deploying Smash. *I value your friendship and I value our partnership*. I need to feel safe and comfortable bringing any issue with you no matter the topic and *your advice*, *experience and guidance is the reason I wanted you as a partner*." *Id*.
- 63. Ulrich again acknowledged my contributions to Smash Technology and my related concerns regarding its finances and his lack of financial contributions and failure to honor his commitments and obligations. "When I hear from Sterling that this is all your money and Smash would have never made it without you getting involved it feels as if what I have brought to the table is insignificant and not valued." I later responded to Ulrich in a parenthetical: "I certainly never intended to make you feel this way and we should discuss this. That being said lets travel back in time. From your emails you acknowledged and from our experiences we both know Smash Solutions was in trouble with no revenue to pay even its most significant overhead and with serves about to be shut off for no payment and no funds to pay; out of business I would say. Going forward the earnings from both of my Bitclub positions have been funding the new company. In addition, I have sent two money wires. Granted I agreed to share the income

from Uberfund, but you took most of the earnings from Uberfund in 2017 and you have not paid me my half, which was to be paid to me no later than April 2018." *Id.* at 9-10. As described above, Ulrich used all of the earnings from Uberfund and Centurion, which at most should have been up to 50% for him if he had enough sales volume performance in Bitclub to receive credit from Uberfund and Centurion, which he never did.

- 64. Ulrich again discussed our Smash Technology partnership. "I offered the partnership with you because I feel that we can create a multi-billion dollar exit in Smash and I wanted to really express my appreciation for the support you gave me in [Bitclub Network]. In addition your business experience and the ability to assist in the deployment." Id. at 10.
- otal Movember 26, 2018 update email to me as follows: "I pray you take everything in this email with the understanding of *my pure intent to be a solid partner*, friend and leader with your group. . . . I continue to be grateful for your partnership and friendship. Please let me know your thoughts on this or we can jump on a conference and discuss all this if you prefer. I know the most urgent items are Sam, Feracode and making sure I can survive the next few weeks as these other items rebuild a financial serve. I appreciate you and look forward to your reply." *Id*.
- 66. On December 2, 2018, I emailed Ulrich and stated "I am only concerned with Smash Technology and Bitclub 'BCN." *See* Exhibit S at 1. "I feel we need to focus on the number one priority in regard to Smash Technology, as most everything else you addressed with regard to Smash Technology is not relevant until we figure out the financials and secure the means necessary to insure our success." *Id.* I expressed my concerns regarding my Bitcoin investments in Smash Technology. "I agreed to share my income with you from Uberfund and

provide a pathway based upon your performance to one-day transfer this position to you. That performance is not nearly enough to date for that. Once we came to an Agreement and set upon the Smash Technology project, I most definitely expected more performance to max out the earnings from Uberfund. That never happened, so I had to find a way to supplement the funding for Smash Technology. Certainly, once I added the Centurion position and sponsored one of my top leaders and his team under Centurion to create yet another income stream, I believed you and your team would deliver enough sales to generate adequate earnings. I expected from both positions I pledged that I could at least cover Feracode, Sam, and the server until we got to the Alpha stage and could generate funds from Smash Technology subscriptions. I never expected or wanted to dip into personal funds and liquidate coins especially this year as the price has dropped significantly to fund Smash Technology separate from earnings from Uberfund and Centurion. Liquidating coins for cash to fund Smash Technology has been a very expensive contribution based upon the loss to us when coin prices run up soon in 2019." Id.

- 67. I told Ulrich "I would love to see this not be delayed any longer or Feracode have to push out the Alpha launch" and "I do not support anyone other than you, Sam and myself on this project until the financials are in order and we can review and agree to a sensible and viable sustainable budget to get us funded and to the Alpha launch." *Id.* at 2.
- 68. Given my concerns and frustrations with Ulrich's lack of financial transparency, failed performance, and lack of accountability, I reiterated that "I just need all the records and documentation so we know where we are at and always have reserves or get them in place before things get out of hand or critical to mission success as the case is now." *Id*.

- emailed me, Ulrich, and Sterling Kerr regarding "Smash Technology Books," specifically using Ulrich's Smash Technology email address. See Exhibit T. "Jerry asked me to send you the PDF report for the bookkeeping records now that all the expenses and invoices are included. We also wanted to make sure that you both have access to the QuickBooks Online account." Id. Potter continued: "[W]e created an asset account where deposits from Michael and JJ were recorded as well as expenses that were paid by JJ through various means. These means included paying for things on various credit cards, bank wires, and such as he often had to scramble to make ends meet for Smash and pull funds from where he could." Id.
- 70. In his email, Potter tried to summarize my investments and Ulrich's investments in Smash Technology. "I have totaled the expenses and what Michael and JJ have deposited as seen below." Potter described "Total Paid Expenses" as \$532,553.70 with "Michael's Deposits" as \$122,350.00 in "CASH," "Jerry's Deposits" as \$275,695.00 "TOTAL." Id. To be clear, however, Potter ignored my approximately \$2 million in investments from Bitcoin and failed to acknowledge that Ulrich's so-called deposits also came from the money I advanced him as a loan from my Uberfund position in Bitcoin, as has been discussed above.
- 71. On December 14, 2018, I emailed Ulrich, Kerr, and Potter and stated "I look forward to our meeting in Vegas next week and working together to find the solutions and making better choices and decisions going forward." *See* Exhibit U. Ulrich, unfortunately, never attended this anticipated meeting. "Below my Agenda is a long email whereby I have tried to communicate my vision, intentions, resolve, commitment, concerns and *most of all convey my heart and friendship above that of just what I needed to address as a business partner." Id.*

- 72. On December 19, 2018, I sent Ulrich, Kerr, and Potter an email to respond to Ulrich's text communications regarding our increasing difficulties in working together, which primarily stemmed, among other things, from his failure to provide all accounting records (including all Bitcoin transactions) and related documentation for Smash Technology. See Exhibit V at 1. "At the risk of being redundant allow me to restate what I have been requesting for months. As your equal Partner, I want and need all the "original hard tangible" financial records (not copies) including, but not limited to receipts and invoices, vendor agreements and contracts, records and documentation (bank statements) of all deposits and payments, etc. Partners would and should provide this upon request especially partners that are supposed to be equal and especially when one is providing the source of funding." Id. at 2.
- "We have an agreement for the Intellectual Property since all this began even before you finally made the decision to dissolve Smash Solutions. You contributed the Intellectual Property. I contributed the funding and took the risk and liability of doing business with you in light of the many issues, problems and mess that stem from the old Smash Solutions, etc." Id. I continued: "Sterling has the formal agreement for the Intellectual Property and has for some time. You just need to give him the complete list and everything else he requested so he can finalize it. Just one of the many things you have failed to follow though on. I sign it to memorialize as we already have a witnessed mutual oral agreement." Id. I continued: "My first obligation was to pay half of Sterling's retainer to clean up and remedy your Smash Solutions problems. I did this, and your obligation was to transfer the Smash Solutions Intellectual Property and all rights in it to Smash Technology. This cleared the path for us to enter into

new agreements to launch a new company that we would both contribute to. In exchange for what I was bringing, you were bringing and providing the Smash IP." Id.

- Technology, I reminded him that "you cannot close deals or make deals without me on behalf of Smash Technology." Id. at 3. I also reminded him "I have provided the funding to get us here, I have stated verbally and in written communication I am ready, willing and able to continue to fund ST even if you cannot meet your obligations." Id. I asked Ulrich specifically: "What have you spent the money and coins I committed and provided to fund Smash Technology?" Id. I also stated "I have done everything I was supposed to do and more. I was to provide the financial vehicle, which became vehicle(s) plus sponsoring my leaders under these [Bitclub] positions, which was never part of the deal. I have also made additional cash payments, which was never part of the deal either. I have done all this and more during this genesis development stage of Smash Technology. Once we became more operational or at least got to the Alpha stage, we agreed I would then take on a more involved active role as that is when my experience and expertise would be needed as you have stated on numerous occasions is what you needed and wanted and recognized I had." Id. at 4.
- 75. With respect to Smash Technology's agreement with Feracode for the development of the CRM Platform, I stated to Ulrich that "your secondary duty and responsibility was to supervise and lead our development team (Feracode). We agreed to hire Sam and I paid him to do the same, but to also review the code as you were not qualified and also test the development teams work and monitor progress and keep the development team on track, etc." Id. I explained to Ulrich "I was willing to trust you and Sam with these

responsibilities to determine whether or not we were on track and whether or not the development team was doing the job I contracted with them for and paid them for." *Id.*

- have incurred tremendous hard costs and invested significant time traveling back to the USA (10) times already this year to meet and reach resolution with you, the team and Sterling." Id. I told him "you fail[ed] to be prepared for those meetings or deliver after the meetings what you are supposed to. This is especially true for Sterling both on behalf of the old company, the new company and all your other companies and enterprises. . . . When you add up all the trips, hotels and other related travel expenses just this year alone; I have out of pocket expenses of roughly \$100,000." Id. at 4-5.
- 77. Per our Smash Technology partnership and our course of performance pursuant to our agreement, I stated to Ulrich as follows: "To restate again our respective roles, responsibilities and obligations at this early developmental genesis state of this project: A) We agreed, I was to provide the financial vehicle, which became vehicles. I even went further sponsoring my leaders under these positions; I have also made additional cash payments; which was never part of the deal. B) We agreed, your primary responsibility and obligation to me was to build your Paid Easy BCN position to Mega Monster and generate sufficient volume to max out the income on the BCN positions I pledged. C) We agreed, and you transferred the Intellectual Property from Smash Solutions to Smash Technology. Later we gave Feracode access to this IP to start the development and build of Smash Technology. D) We agreed, once we became operational or at least got to the Alpha state I would then take on a more

involved active role. That as you have said and written many times is when my experience and expertise would be needed." *Id.* at 5.

- 78. Given the strained status of our partnership in December 2018, I asked Ulrich "Another QUESTION: Maybe you want to buy me out or have one of your new investors buy me out? You don't appear to want a partner that hold you responsible and accountable and you don't appreciate what I have done for you and this project." Id. at 6. I later explained: "Partners must have 100% transparency between them and are responsible and accountable to one another. You have not given me that." Id. at 7.
- CRM Platform, I told Ulrich "[a]s of today December 18, 2018 we have paid Feracode a total of \$462,000 which takes us up to the Alpha launch. For the record and on the record, I am responsible for the majority of the funding for Smash Technology up to this point." Id. I pointed out that per Ulrich's Excel spreadsheet he produced in October 2018, "my (2) [Bitcoin] positions have contributed a total of \$258,736.80. In addition. I have sent you two separate money wires." Id. I continued: "We agreed I would contract with and pay Feracode to develop and build the new technology for Smash Technology. That is an authorized expense and I signed the contract with Feracode. We agreed, I would contract with and pay Sam to communicate with the Feracode development team to lead, direct, supervise them, review the code and also test the Feracode development teams work and monitor progress and keep the development team on track, etc. That is an authorized expense for ST." Id. at 7-8.

My Text Communications with Ulrich Re: Our Smash Technology Partnership, Our Course of Performance, and My Investments in Developing the Intellectual

Property and CRM Platform

80. Similar to the above email communications, I have exchanged numerous text

message communications with Ulrich regarding our Smash Technology partnership, our Smash

Technology course of performance, and our Smash Technology investments, including my own

investments of cash, Bitcoin, and other resources that directly paid for Feracode's development

of the intellectual property, software technology, and CRM Platform. See Exhibit W. I will not

quote verbatim from the text messages, but I have attached herewith true and correct copies of

my text message communications with Ulrich that support Smash Technology's rights, interests,

and ownership in the intellectual property, software technology, and CRM Platform at issue in

this case.

I declare under penalty of perjury under the laws of the State of Utah and the United

States that the foregoing is true and correct.

Executed this 21st day of June, 2019 in Las Vegas, Nevada.

By: /s/ Michael Alexander

Michael Alexander

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